

AGN. NO.

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS**

**FEBRUARY 19, 2013**

Affordable Care Act, Medicaid Expansion and Realignment

Governor Brown's FY 2013-14 Proposed Budget expressed his intent to expand Medi-Cal to most adults under 65 years of age with incomes at or below 133 percent of the Federal Poverty Level effective January 1, 2014, as provided under the Federal Affordable Care Act (ACA) of 2010.

Los Angeles County (County) is the provider of care to the largest uninsured population in California. The Department of Health Services is using California's "Bridge to Reform" Medicaid Waiver to provide transitional health care coverage through the County's Low Income Health Program to over 240,000 County residents who can be seamlessly transitioned into Medi-Cal on January 1, 2014.

We applaud the Governor's commitment to expand Medi-Cal. However, we are concerned with elements of the proposal which could delay the expansion of the Medi-Cal Program and put California at risk of losing hundreds of millions of needed dollars in Federal funding.

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The Governor has proposed two options for the Medi-Cal expansion. Under one option, the State would retain responsibility for the Medi-Cal Program, and utilize much of the program's existing administrative infrastructure. Under the second option, this responsibility would fall to counties. More concerning, Governor Brown's Administration (Administration) is making assertions that county health expenditures will significantly decline with the implementation of the ACA and proposes that county 1991 Realignment funding currently used for health and public health services be redirected from counties to pay for State health care costs associated with the Medi-Cal expansion.

The county-option should be rejected. It is not feasible for fifty-eight individual counties in the State to each assume responsibility to expand Medi-Cal. Further, this option would require the State to request Federal waiver approvals on an expedited basis and almost guarantees that California would not be able to implement the expansion by January 1, 2014. More importantly, the county-option works against a key principle of the ACA, to simplify and streamline access to services.

The Administration's assumption that counties will achieve significant savings in 2014 is overtly premature. The cost of the ACA will be unknown for a number of years. In addition, the Medi-Cal expansion will be 100 percent federally reimbursed for the first three years through 2016. At the same time, the County will retain its mandate to provide health care for all persons who will remain uninsured because they do not qualify, they experience enrollment delays or they fail to enroll for coverage. To ensure the successful implementation of the ACA, the County must direct its resources to provide care for the newly insured and to modernize our

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infrastructure to meet the needs of our patients. For these reasons, the Board of Supervisors should oppose the Governor's proposal to redirect 1991 Realignment funding.

The County, however, recognizes that the State will incur costs related to the Medi-Cal expansion in 2017 and beyond when the Federal payment of 100 percent phases down. The County is willing to engage the Administration in developing options for how the County might be able to assist the State in addressing these future costs.

Finally, it is urgent that State legislation to implement the Medi-Cal expansion be enacted as soon as possible to ensure rules, regulations and systems are in place by January 1, 2014. Failure to implement the Medi-Cal expansion in a timely fashion would delay thousands of Californians from accessing vital affordable health coverage and result in the loss of hundreds of millions of dollars for the State and counties.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

Instruct the Chief Executive Officer (CEO), the Director of the Department of Health Services (DHS), and the Sacramento Advocates to express to Governor Brown and the State Legislature the following:

- 1) Support the Governor's proposal to expand the Medi-Cal Program to newly eligible persons as provided under the Federal Affordable Care Act.
- 2) Support the State-option for the Medi-Cal expansion, which builds on the existing Medi-Cal system, and oppose the proposed county-option.
- 3) Oppose any proposal to redirect 1991 Realignment funding from counties to the State in which counties would assume greater responsibility for social services programs.

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- 4) Direct the CEO and the Director of Health Services to work with the Administration to develop a plan to identify potential methodologies to assist the State with potential future costs for the implementation of the Medi-Cal expansion in 2017 and beyond, for consideration by the Board. The plan should be based on actual State and County cost experience with implementing the ACA, and must ensure that the County maintains the resources needed to provide care for the newly insured as well as the large State-mandated population of residents who will either not qualify for or enroll in ACA coverage. The County also needs to have the capacity to continue to implement system improvements that are critical to meeting the health care needs of the community.
- 5) Urge the Governor and the State Legislature to enact legislation for the Medi-Cal expansion as soon as possible to ensure successful implementation by January 1, 2014 and avoid the potential loss of hundreds of millions of Federal dollars for California.

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